



County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
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<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA
Chief Executive Officer

February 23, 2010

To: All Department Heads

From: William T Fujioka
Chief Executive Officer

Board of Supervisors
GLORIA MOLINA
First District

MARK RIDLEY-THOMAS
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

120-DAY RETIREES

By memorandum dated December 2, 2009, departments were asked to reduce the employment of County retirees (i.e., 120-day retirees). We subsequently provided each department with information on the current number of these individuals and the cumulative hours worked by each employee in the current fiscal year and emphasized that the use of these retirees must be limited to critical positions where the necessary expertise is otherwise unavailable within your department. Further, every effort is to be made to transfer this expertise to permanent employees to reduce the 120-day retiree population to an absolute minimum by June 30, 2010.

As you know State law governing the County's retirement benefits (the 1937 Retirement Act) prohibits the employment of retirees for more than 120 working days (960 working hours) in any fiscal year. Exceeding this limit for any retiree may subject all active and retired employees to severe tax consequences under State and federal law. To assist departments in managing their rehired retirees, we will continue to provide you with periodic status reports showing the number and identity of your 120-day retirees and the cumulative hours worked to date in the current fiscal year.

The most recent information we have shows that some 120-day retirees are already very near the 960 hour limit for this fiscal year. To ensure we do not exceed this limit, we are asking all departments to:

1. Obtain specific annual re-authorization from your CEO budget analyst before any retiree is employed or re-employed in a subsequent fiscal year. This will be the case regardless of whether the costs are provided for within your adopted budget.
2. Carefully monitor the hours worked by your rehired retirees, so that, **without exception**, no retiree works more than 960 hours in a fiscal year.

If you have any questions regarding this matter, please call me or contact Ellen Sandt at (213) 974-1186 or esandt@ceo.lacounty.gov.

WTF:EFS
WGL:RP:df
c. All Administrative Deputies

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